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Group Therapy If You Want to Sell It We Need a Price

Column Editor, **Rosann Bazirjian** (Syracuse University)

We're still looking for gripes and issues! Is there anything you need to get off your chest? This includes Publishers and Vendors too! Tell Rosann Bazirjian at Syracuse University, LIBRVB@SUVM.bitnet or FAX (315) 443-9510.

GRIPE:

Publishers who refuse to put prices where we can find them have been a gripe of mine for a long time. Many of us are keeping financial records for several library accounts, both internal and external. We need at least a "ballpark" figure for each title we enter into our systems. However, estimates are not a good answer. Why are publishers reluctant to put their prices into ***BIP*** ?

We devised a system of calling 800 phone numbers to find prices and availability, but this can take hours of being shunted from one department to another, being put on "ignore," or, of being shifted from one 800 number to another.

There is also the practice of advertising a title long before publication. We loose any money that is not spent by the end of the fiscal year so a department can effectively pay for a title twice. We try not to order unless we know a title has been published, thereby risking its being out of print before we get it ordered.

Does anyone else out there find these things difficult to deal with?

Gripe submitted by **Phyllis J. Brown**, Idaho State University

VENDOR RESPONSE:

Submitted by: **Forrest E. Link**, Northeastern Regional Manager, Midwest Library Service

There are actually three problems here. The most serious one is institutional and beyond our purview: Why is there a "spend it or lose it" approach to library budgeting? The other problems really stem from this.

Difficulties in determining the price of certain books cause significant problems for vendors as well as libraries. When it is discovered that a book's price greatly exceeds the estimated cost, many customers ask for reporting which delays shipment. Often vendors can only identify price discrepancies when the book has actually been obtained. As a result, it is occasionally necessary to return a book, unsold, to the publisher — leading to higher prices for everybody. If the pricing problem occurs with a non-returnable publisher, hard feelings are bound to follow.

The major cause of this unpleasantness is the practice of publisher net pricing. Simply put, certain publishers (often of college text material) have elected to make secret the prices of some of their books in response to the pressures of college bookstores who can then realize a higher profit margin without being embarrassed by "list" prices in ***BIP*** or elsewhere. Calling these publishers for price information often results in the frustration Phyllis describes, or in a price quote for a "single copy" — usually sufficiently inflated, so that the actual price upon receipt from a vendor comes as a relief. Fortunately, this practice seems to be confined to relatively few publishers.

Excessively advanced advertising, on the other hand, is more pervasive, but less noxious from a vendor's perspective. While a library's problem here is fiscal uncertainty and redundant searching, ours is a burgeoning NYP backfile. Vendors face some reporting and procedural complications as a result, but at least have orders in hand and a reasonable hope of filling them.

Both of these publishing problems highlight the importance of pre-order research and the need to establish good rapport with your vendor. A common way to determine the actual, as opposed to putative, existence of a given title is to check for holdings in OCLC or other utilities. Some of the major offenders in premature advertising are university presses who seem to face more delays in publication than for-profit presses. This remains one of the long-standing arguments favoring university press approval programs.

End-of-year budget anxiety can be relieved by more accurate cost estimates where no price is available. Vendors have statistics that can help here. There are also any number of imaginative invoicing schemes vendors have developed to insure a tidy year-end fiscal resolution. These range from advanced billing to deposit accounts. Although business offices sometimes take a jaundiced view of these solutions, they offer an attractive alternative to the potential loss of precious book monies.

PUBLISHER RESPONSE:

Submitted by: **Dimi Berkner**, Marketing and Sales Director, Columbia University Press

The questions you've raised are perennial frustrations for acquisitions librarians trying to balance a budget. Although no one that I've spoken with has a perfect solution, there are some ways to lessen the problems, and it may also be helpful to understand why publishers do these things.

1. It is true that it is difficult to plan expenditures when you cannot locate book prices. Yet book publishing is one of the few industries where the manufacturer (the publisher) still regularly provides a printed price list for its products. In other areas, goods are sold to the end user through distributors at variable prices depending on what margin the retailer needs or can command at the final sale.

An exception to listed prices in publishing occurs in the area of textbooks. About ten years ago, many textbook publishers adopted a policy of "net pricing" to meet the needs of their major retail outlets, the college bookstores. The store is billed at a "net" (non-discountable) price, and then adds the mark-up needed to cover its costs and match the competition. When the price is not publicly announced, the store has the freedom to earn more or less the standard textbook margin, according to its own judgment and the competitive environment. Net pricing also makes it much simpler for the store and the publisher to handle returns with minimal paperwork, since every store buys at the same price no matter when or how many copies are purchased. Since textbook publishers feel that the survival of college stores is essential to their distribution, many of these publishers have chosen net pricing as a means to allow the stores to make the profit they find necessary to survive.

If your purchasing often involves books categorized by their publishers as texts (i.e., where the majority of the books will be sold in bulk to college stores), you may want to establish average prices by subject and encumber that amount for each book. Many major book vendors can provide statistical reports on the prices of books carried in their approval plans by discipline, and these can be used to make informed estimates. In addition, if a vendor has already sold the book at least once, the exact price may be available either on-line via their automated ordering systems or through a telephone inquiry.

2. The question of pre-publication announcements also hinges on economics. Most legitimate publishers aim to publish their books as close as possible to the scheduled publication date. Publishers have incurred so many costs by the time the book is printed that they want to recover these costs quickly. To do this, the publisher must ship and bill as many copies as possible as soon as the book is ready. Thus it is essential that the book be announced early enough that orders can be accumulated in advance of publication. The relative strength of these advance orders, especially for more popular books, will also help determine the first print run and, sometimes, the amount of promotional dollars devoted to publicizing the book to consumers and scholars. Advance publication announcements also generate publicity and review attention.

The problem really affects your budget (and our revenue projections as publishers) when a book does not meet its scheduled month of publication. But since pub dates must be set far in advance of publication (to allow time to build orders, determine demand, and get review coverage), unforeseen delays may intervene, especially for scholarly publishers who are particularly dependent on faculty authors and editors. And once a manuscript has been delayed, the publisher can lose its place in the printer's queue, adding more unscheduled weeks to the production cycle.

To counteract this, many libraries have developed a formula, based on the historical experience of their own fill rates, to over encumber by a certain amount so as not to lose any funds. (It's the same principle of overbooking that works so well for airlines.) In addition or instead, you might want to work with your vendors and establish a cancellation date before the end of the fiscal year, giving yourself leeway to order and receive substitute books. If you wish to be particularly conservative, don't place orders for any books with expected publication dates that fall during the last three months of your fiscal year; instead, make these the first books you order during the new fiscal year—before those books go out of print. Vendors (and some publishers) can also assign new P.O. numbers to old orders or redate invoices to help you balance your accounts at the end of the year. And finally, of course, a carefully profiled approval plan should keep late books to a minimum.